



UNITED STATES MARINE CORPS

MARINE FORCES RESERVE
MARINE FORCES NORTH
2000 OPELOUSAS AVENUE
NEW ORLEANS, LA 70114-1500

ForO 5200.1C
CMPT
11 Mar 16

FORCE ORDER 5200.1C

From: Commander
To: Distribution List

Subj: MANAGERS' INTERNAL CONTROL PROGRAM

Ref: (a) Federal Manager's Financial Integrity Act of 1982
(b) 31 U.S.C. 3512
(c) OMB Circular A-123 Appendix A dated July 2005
(d) SECNAVINST 5200.35F
(e) SECNAV M-5200.35
(f) SECNAV M-5210.1
(g) MCO 5200.24D
(h) Office of Management and Budget (OMB) Circular A-123, "Management's Responsibility for Internal Control", Revised 21 Dec 04
(i) DoD Instruction 5010.40, "Managers' Internal Control Program", July 20, 2006

Encl: (1) Assessable Unit List
(2) Standards for Internal Controls in the Federal Government
(3) Summary of Processes for Overall Manager's Internal Control (OMIC) and Internal Controls Over Financial Reporting (ICOFR)
(4) Sample Appointment letter (DD Form 577)
(5) Guide for Activity Marine Corps Managers' Internal Control (MCMIC) Coordinator
(6) Managers' Internal Control Evaluation Checklist
(7) Sample Managers' Internal Control (MIC) Plan
(8) Sample Control and Risk assessment Format
(9) Sample Managers' Internal Control Certification Statement Letter Format

1. Situation. As directed by the references, all Marine Forces Reserve (MARFORRES) Major Subordinate Commands (MSC), General and Special Staff sections, and Marine Forces North (MARFORNORTH) as outlined in enclosure (1), must maintain and manage an effective Marine Corps Managers' Internal Control (MCMIC) Program and contribute to the Command Statement of Assurance (SOA). This certification statement indicates the Commander's assessment of internal controls, ensuring that its Manager's Internal Controls are sufficient.

2. Cancellation. Force Order 5200.1B.

3. Mission

a. To set forth policies and establish procedures in support of the Managers' Internal Control (MIC) Program and provide all levels of management with a basic understanding of MIC.

b. To ensure that Commanding Generals (CG), Commanding Officers (CO), Inspector-Instructors (I-I), directors, and functional managers are aware of their responsibilities for the establishment and maintenance of a system or systems of internal controls within their command/activity. These

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responsibilities include determining that the systems are functioning as prescribed and are modified, as appropriate, to meet changes in conditions.

4. Execution

a. Commander's Intent and Concept of Operations

(1) Commander's Intent. CGs, COs/I-Is, directors, and functional managers at all levels shall:

(a) Develop, implement, maintain, review, and improve internal controls for all functions, programs, and operations within their responsibility.

(b) Use the Standards for Internal Controls in the Federal Government, as summarized in enclosure (2), to integrate basic internal control strategies, plans, guidance, and procedures.

(c) Ensure that individuals who are accountable for internal control systems are identified at appropriate levels of command/management. Responsible individuals shall create and maintain appropriate documentation as directed in support of the MIC Program.

(d) Develop, execute, track, and report as required, to mitigate any identified internal control weaknesses in functions, programs, or operations under their authorities.

(e) Maintain MIC Program documentation and records per the time limits established by reference (a).

(2) Concept of Operations

(a) Internal control is a major part of managing an organization that comprises the plans, methods, and procedures to meet missions, goals, and objectives. It is an integral component of an organization's management that provides reasonable assurance that the following objectives are being achieved:

1. Effective, efficient, and ethical operations.
2. Compliance with applicable laws, policies, and regulations.
3. Programs and resources being protected from waste, fraud, abuse, and mismanagement.
4. Reliable/timely information being obtained, maintained, reported, and used for decision making.
5. Reliable financial information.
6. Maintenance of public trust.

(b) MIC is inherent in command. In today's modern environment where efficient use of resources affects not only performance, but also every other aspect of command, it is incumbent upon all Commanders, Division Directors, and Functional Managers to have an appreciation and an understanding of internal control. Internal control is a major part of managing an organization.

(c) The MCMIC Program is comprised of two distinct processes, each with the common purpose of providing reasonable assurance that effective and efficient internal controls are in place throughout the Marine Corps. The two processes are: (1) The Overall MIC (OMIC) and; (2) the Internal Controls Over Financial Reporting (ICOFR). Enclosure (3) summarizes these two processes.

(d) MIC is applicable to all functional areas (financial and non-financial). The MIC Program provides an organization a process to inventory all areas of responsibility, analyze risk, develop controls to mitigate identified risks, detect/address potential problem areas in advance, and document accomplishments.

(e) An effective MIC Program means the organization knows what it is supposed to do (mission), who is responsible for doing it (accountability), how to properly do it (regulations and procedures), and whether it is being done, as required (assessments and documentation).

(f) The MIC Program is not optional. Reference (b) requires organizations and managers to report annually on internal controls through a SOA which leads to an annual report to Congress and the President. Active execution of the Commander's MIC Program, guided by references (c) through (i), is indispensable for mission accomplishment and compliance with annual SOA submission requirements to the Commandant of the Marine Corps (CMC).

5. Coordinating Instructions

a. Comptroller, MARFORRES

(1) Formulate overall policy, guidance, and direction for the Command's MIC Program.

(2) Appoint the Resource Evaluation and Analysis (RE&A) Officer as the Command's MIC Program Manager.

b. RE&A. Following the guidelines in reference (g), coordinate the command effort to implement the MIC Program and disseminate guidance within the command that provides reasonable assurance that the objectives and standards of internal controls are met. Specific responsibilities are:

(1) Serve as the central focal point to provide oversight of the MIC Program.

(2) Appoint an alternate Command MIC Program Internal Control Coordinator.

(3) Establish the Command MIC Plan and update annually.

(4) Command MIC Program Coordinator and alternates shall, upon assignment, take MIC Program training. Refresher training is required every three years. Appropriate training is available through the Navy e-Learning Knowledge On-Line. The most current certificate of training shall be maintained for review. Additionally, Lean Six Sigma Greenbelt (GB) training is recommended to equip MIC Program coordinators and RE&A Officers with a set of analytical and process improvement tools that can be utilized to reduce risk, develop Corrective Action Plans (CAPS) and develop internal controls.

(5) Ensure that military/civilian personnel responsible for MIC oversight are identified and that the respective fitness report or performance appraisal systems reflect internal control responsibilities, accomplishments,

deficiencies, and corrective actions undertaken and completed, as required by reference (e).

(6) Provide MIC Program training and assist Activity MIC Coordinators and functional managers.

(7) Annually, publish detailed guidance regarding the development and submission of the MIC Program SOA and supporting requirements for the ICOFR.

(8) Establish a process for documenting MARFORRES efforts that continuously monitor (testing of controls) and improve the effective use of internal controls for all functions, programs, and operations per enclosure (3). Maximize the use of all types of control and evaluation processes such as, but not limited to, the Marine Corps Administrative Analysis Team inspection, Field Supply Maintenance Analysis Office, Financial Management Inspection and Assessment visits, verifications, evaluations, risk analyses, specific control assessments, investigations, and external audits.

(9) Coordinate MARFORRES-wide effort to meet annual MIC Program reporting requirements:

(a) Complete ICOFR process testing, as required by CMC, and complete associated reporting requirements.

(b) Review the results of all activity SOA, including risk assessments, internal control assessments, and CAPS, if applicable, and prepare the Command annual MIC SOA for submission to CMC by the due date.

(10) Establish and maintain a process that identifies, reports, tracks, and corrects internal control material weaknesses and reportable conditions for the command.

(11) Establish and maintain a command inventory of assessable units that shall be reviewed and updated annually.

(12) Maintain records to support the OMIC and ICOFR reporting processes per references (a) and (h).

c. Command Inspector General

(1) Evaluate compliance with this Order during inspections and investigations.

(2) Determine major internal control accomplishments and weaknesses identified during inspections and investigations.

(3) Summarize and report results through the MIC reporting process.

d. Activity Heads

(1) Appoint an activity MIC Program Coordinator, primary and alternate, in writing as per enclosure (4), complete training available through the Navy e-Learning Knowledge On-Line and to coordinate your activity's MIC Program requirements and serve as the focal point. Additionally, the GB training course is recommended with the intent to equip MIC Program Coordinators with a set of analytical and process improvement tools that can be utilized to reduce risk, CAPS, develop internal controls, and improve the overall effectiveness of the Commanders' MIC Program. The activity MIC coordinator is to be the liaison between your activity and the Command MIC for coordination of all MIC Program requirements for your

activity. A guide for activity MIC coordinators is provided in enclosure (5). The MIC Evaluation Checklist, enclosure (6) and the sample MIC Plan, enclosure (7) are also provided to help units.

(2) Primary and alternate activity MIC coordinators are highly encouraged, upon assignment, to aid in understanding the program's philosophy and requirements.

(3) Ensure that military/civilian personnel responsible for MIC oversight are identified and that the respective fitness report or performance appraisal systems reflect internal control responsibilities, accomplishments, deficiencies and/or corrective actions undertaken and completed, as required by reference (e).

(4) Conduct risk assessments and internal control assessments as required using the sample control and risk assessment format provided in enclosure (8).

(5) Submit the MIC Certification Statement, enclosure (9), along with enclosure (8) to the MARFORRES Comptroller RE&A via the chain of command each year no later than 1 April.

(6) Provide documentation required for ICOFR testing to MARFORRES Comptroller as requested.

(7) Establish and maintain a process that identifies, reports, tracks, and corrects internal control material weaknesses and reportable conditions for your activity.

(8) Establish and maintain an inventory of assessable units for your activity that shall be reviewed and updated annually.

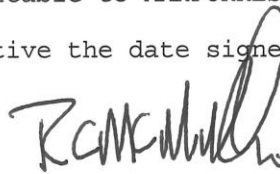
(9) Maintain records for your activity to support the MIC SOA reporting process per references (a) and (h).

6. Administration and Logistics. Recommendations concerning the contents of this Order may be forwarded to the Assistant Chief of Staff, Comptroller, MARFORRES.

7. Command and Signal

a. Command. This Order is applicable to MARFORRES and MARFORNORTH.

b. Signal. This Order is effective the date signed.



REX C. MCMILLIAN

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ASSESSABLE UNIT LIST

1. The following lists the Sub-activities and assessable units (e.g., G-1, Public Affairs Office, and Facilities) underneath the Commander, Marine Forces Reserve (MARFORRES). Each Sub-activity is to conduct an Assessment of Risk and controls of their Assessable Units and submit both the Managers' Internal Control (MIC) Certification Statement Letter (enclosure (9)) and the results of the Assessable Units results to the MARFORRES Comptroller (RE&A) no later than 1 April.

2. The sub-activity is a suggested list of present, but not limited to, assessable units that should be the focus of that unit's internal controls. Each unit should review the list of functions for detail, accuracy, and applicability and submit any changes with the annual MIC Certification Statement (enclosure (9)). Units should direct their internal control assessment efforts to areas most vulnerable to fraud, waste, and/or abuse.

a. (Sub-Act) MARFORRES G-1 (Administration)

Assessable Units:

Government Travel Charge Card (GTCC)
Government Commercial Purchase Card (GCPC)
Non-Appropriated Funds Payroll
Inactive Duty Training (IDT) Travel Reimbursement Program
Unit Diary Electronic Signature Management
Orders Processing
Service Record Audit Procedures
Postal Procedures
Funeral Honors Drills/ADOS

b. (Sub-Act) MARFORRES G-2 (Intelligence)

Assessable Units:

Special Security (SSO) Program
Intelligence Oversight (IO) Program
Command Language Program (CLP)

c. (Sub-Act) MARFORRES G-3/5 (Training/Plans)

Assessable Units:

Training Exercise and Employment Plan (TEEP)
Commercial Ticket Program (CTP)
Innovative Readiness Training (IRT)
Counter Drug Program
School Tours and PME Funding

d. (Sub-Act) MARFORRES G-4 (Logistics)

Assessable Units:

Ammunition
General Account
Passenger Travel
Transportation of Things
Corrosion Control
Embarkation Equipment Management
Contract Logistics Support

e. (Sub-Act) MARFORRES G-6 (Communications)

Assessable Units:

Communications and Physical Security (COMSEC)

Information Technology (IT) Equipment Procurement
Equipment Policies and Procedures
C3I Training Programs - Command, Control, Communication and Intel
Frequency Management
Information Assurance Programs
SIPRNET Management
Defense Messaging System and AUTODIN - Auto Defense Information

Network

C4 - Command, Control, Communication and Computers
Garrison Communications/IT Management
EITA Programs - Enterprise Information Technology Acquisition

f. (Sub-Act) MARFORRES G-7 (Inspector)

Assessable Units:
Hotline
Delay Defer Exemption Program
Investigation Program
Request Mast Program
Intelligence Oversight
Commanding General Inspection (CGI) Program

g. (Sub-Act) MARFORRES G-8

Assessable Units:
Structural Requirement Identification
Equipment Requirement Identification
Program Requirement Identification

h. (Sub-Act) Command Deck

Assessable Units:
Marine Corps Action Tracking System (MCATS)
Defense Travel System (DTS)
GCPC
Command Deck Budget/TAD Funds
Command Deck Security Manager
PeopleSoft
General Information
Command Deck Communications
Counsel to the Commander
Sexual Assault Response Coordinator (SARC)
Equal Opportunity Advisor
Family Readiness Officer
Chaplains
Training (MFR Chaplaincy Training)
Preparation/Chaplain Religious Enrichment Development Operation

Program Management
Personal Resiliency Retreats (PRR)
Marriage Enrichment Retreats (MER)
Safety
Procurement
Marine Corps Safety Program
Qualification/Certification for Program for Class V Ammunition and

Explosives (A&E)
Safety Budget
Hearing Conservation Program
Heat Injury Prevention Program
Range Safety
Bloodborne Pathogens Program

Confined Space Entry Program
Fire Protection and Emergency Services Program
Radioactive Commodities in the DoD Supply System (RAD Safety)
Navy LASER Hazard Control Program
Multiple Occupational Safety and Health Programs: Asbestos,
Ergonomics, Fall Protection, Unit Safety, Lead, Lockout/Tag out, Occupational
Safety and Health.

Industrial Hygiene Program
Security Management Office
Administrative
General Account
Contracted Logistics Support
Embarkation Equipment Management
Training and Programming

i. (Sub-Act) Comptroller

Assessable Units:
Budgets
Accounting
Business Management
Fiscal Operations
Resource Evaluation and Analysis
DTS
Fiscal Records and Policies (non-MCRSC)
Planning Programming Budgeting System, Program Objective Memorandum
and Budget Execution Processes
Disbursing/Travel Claims Management
Internal Review Policies and Procedures

j. (Sub-Act) Facilities

Assessable Units:
Engineering
Environmental Compliance Evaluation
(ECE)/Environmental Management
System (EMS) Inspections
National Environmental Policy Act (NEPA) Documentation
Environmental Projects
Renewable Energy
Capital Improvements (CI) Project Execution
Planning, Programing, & Assessments (P,P&A)
Family Housing
Base OPS Support
GSA Vehicles
Real Property

k. (Sub-Act) PAO

Assessable Unit:
Issue Management Crisis Communication
Recording and/or Distributing VI Materials
Band Injury
Band Transport
Combat Camera/Copier Contract
Band Equipment Support
Communication Counsel
Distribution
Expeditionary Public Affairs
Public Engagement

Research/Analysis/Assessment
Equipment Life cycle

l. (Sub-Act) Staff Judge Advocate/Counsel

Assessable Units:
Legal Policies and Procedures
Legal Services
Command Advice

m. (Sub-Act) Marine Corps Community Services (MCCS)

Assessable Units:
Behavioral Health Programs
Substance Abuse (Non-DDR)
Drug Demand Reduction
DTS program
Wide Area Work Flow (WAWF) - Miscellaneous Pay
Unmatched Disbursement Notification Records
Budget Formulation
Budget Execution
Uniform Funding Management
MCCS
Readiness and Deployment Support
Transition Assistance Management Program (TAMP)
Unit, Personal, and Family Readiness Program
Yellow Ribbon Reintegration Program (YRRP)
Semper Fit Program
Marine Corps Family Team Building Programs
Personal and Family Readiness Support Program
Non-Appropriated Fund (NAF) Support

n. (Sub-Act) Regional Contracting Office

Assessable Units:
Training Matrix
Wide Area Work Flow (WAWF) Role Audit
Contract Management
GCPC Program

o. (Sub-Act) MARFORRES Headquarters Battalion

DTS
Government Travel Charge Card
Legal Administration Limited Duty
Personnel Accountability
Promotions
Career Planner
Hurricane Evacuation
Body Composition/Military Appearance
Physical Security
Operations Security
Substance abuse
Training/Physical Fitness Program
Professional Military Education
Fiscal Matters
Weapons Maintenance and Accountability
Fleet Vehicle Program
Ground Safety
Supply/Property Management

Suicide Prevention
Sexual Assault Prevention and Response

- p. (Sub-Act) Commanding General (CG), 4th Marine Division (4th MARDIV)

Assessable Units:

Staff Sections
4th MARDIV HQ BN
14th Marines
23rd Marines
25th Marines
3rd Force
4th Force
4th AAV BN
4th LAR
4th Recon BN
4th Tanks
4th CEB

- q. (Sub-Act) CG, 4th Marine Logistic Group (4th MLG)

Assessable Units:

Staff Sections
4th MLG Command Element
Combat Logistics Regiment 4
Combat Logistics Regiment 45
6th Engineer Support Battalion
4th Medical Battalion
4th Dental Battalion
Reserve Personnel

- r. (Sub-Act) CG, 4th Marine Aircraft Wing (4th MAW)

Assessable Units:

Staff Sections
4th MAW HQ
MAG 41
MATSG-42
MACG-48
MAG-49
VMR Andrews

- s. (Sub-Act) CG, Force Headquarters Group

Assessable Units:

Marine Corps Individual Reserve Support Activity
Intelligence Support Battalion
4th Law Enforcement Battalion
6th Communication Battalion
3rd Air Naval Gunfire Liaison Company (ANGLICO)
4th ANGLICO
6th ANGLICO
1st Civil Affairs Group (CAG)
2nd CAG
3rd CAG
4th CAG
Reserve Support Unit - East
Reserve Support unit - West

- t. (Sub-Act) Chief of Staff, Marine Forces North

Standards for Internal Controls in the Federal Government

1. Control Environment. Management and employees shall establish and maintain an environment through the organization that sets a positive and supportive attitude toward internal control and conscientious management. Several factors affect the control environment:

a. The integrity and ethical values maintained and demonstrated by management and staff. A key role is management providing guidance for proper behavior and providing discipline when appropriate.

b. Management's commitment to competence. All personnel need to possess and maintain a level of competence that allows them to accomplish their assigned duties as well as understand the importance of developing and implementing good internal controls.

c. Management's philosophy and operating styles also affect the environment. This factor determines the degree of risk the command is willing to take and management's philosophy towards performance-based management. The attitude and philosophy towards information systems, accounting, personnel functions, monitoring, audits, and evaluations can have a profound effect on internal control.

d. The command organizational structure provides management's framework for planning, directing and controlling operations to achieve the command's objectives. A good internal control environment requires an organizational structure that clearly defines key areas of authority and responsibility and establishes appropriate lines of reporting.

2. Risk Assessment. A precondition to risk assessment is the establishment of clear, consistent agency goals and objectives at both the entity level and at the activity (program or mission) level. Once the objectives have been set, the organization needs to identify the risks that could impede the efficient and effective achievement of those objectives at the entity level and the activity level. Internal controls should provide for an assessment of the risks an organization faces from both internal and external sources. Once risks have been identified, they should be analyzed for their possible effect. Management then has to formulate an approach for risk management and decide upon the internal control activities required to mitigate those risks and achieve the internal control objectives of efficient and effective operations, reliable financial reporting, and compliance with laws and regulations.

3. Control Activities. Internal control activities help ensure that management's directives are carried out. The control activity should be effective and efficient in accomplishing the command's control objectives. Control activities are the policies, procedures, techniques, and mechanisms that enforce management's directives, such as the process of adhering to requirements for budget development and execution. Some examples of control activities include top level reviews of actual performance, management of human resources, controls over information processing, physical control over vulnerable assets, segregation of duties, proper execution of transactions and events, accurate and timely recording of transactions and events, access restriction to and accountability for resources and records, and appropriate documentation of transactions and internal control.

4. Information and Communications. Information should be recorded and communicated to management and others within the organization who need it and in a form and within the time frame that enables them to carry out their internal control and other responsibilities. For an organization to run and control its operations, it must have relevant, reliable, and timely

communication relating to internal as well as external events. Accurate information is needed throughout the command to achieve all of its objectives. Program managers need both operational and financial data to determine whether they are meeting the organizations strategic and annual performance plans and meeting their goals for accountability for use of resources. Effective information occurs in a broad sense when information flows down, across, and up the organization.

5. Monitoring. Internal control monitoring should assess the quality of performance over time and ensure that the findings of audits and other reviews are properly resolved. Internal controls should generally be designed to assure that ongoing monitoring occurs in the course of normal operations. Separate evaluations of control can be useful by focusing directly on the controls effectiveness at a specific time. Commands are encouraged to use inspections, management studies, audits, evaluation and other sources to identify internal control deficiencies that require corrective actions and reporting to the next level of command. Monitoring of internal controls includes policies and procedures for ensuring that the findings of audits and other reviews are promptly resolved.

**Summary of Processes for Overall Managers' Internal Control (OMIC) and
Internal Controls Over Financial Reporting (ICOFR)**

1. OMIC. Per reference (h), the OMIC is a bottom-up process driven by lower level unit/organization leaders and managers. All programs and all operational and administrative areas are to be addressed. Annually, Statements of Assurance (SOA) are prepared at command activity levels and are forwarded to the Commander, MARFORRES for consolidation into one SOA for the Command. The Commander, MARFORRES submits to the Commandant of the Marine Corps (CMC) an SOA, which is a certification on the effectiveness of the Command's internal controls over all functions, programs, and operations. This SOA supports the CMC SOA for the OMIC, which is forwarded to the Secretary of the Navy. Specific requirements for individual activities, SOA, and documentation will be identified through separate correspondence.

a. The SOA is based on the risk assessments and documentation of internal control evaluations conducted during the reporting period.

b. The SOA for MARFORRES requires signature by the Command Senior Official. The SOA for each activity requires the signature of the activity senior official.

c. The SOA must state one of three positions:

(1) Unqualified statement of assurance (SOA). "I have reasonable assurance that internal controls are in place and operating effectively, with no material weaknesses to report."

(2) Qualified SOA. "I have reasonable assurance that internal controls are in place and operating effectively, except for _____. The qualifying issue(s) must be cited in the SOA along with appropriate corrective action plan(s).

(3) Statement of no assurance. "I do not have reasonable assurance that internal controls are in place and operating effectively." The rationale for this statement must be summarized in the SOA cover letter.

d. Documentation of risk and control assessments, as well as other aspects of MIC execution, shall be in sufficient detail to justify an organization's SOA. The MARFORRES Command MIC Program Coordinator shall prepare a task letter annually, for distribution to MARFORRES activities, regarding the level of detail necessary, to include specific SOA enclosures and recommended formats.

2. ICOFR. Per reference (h), this is a top-down process from Headquarters Marine Corp beginning with the Marine Corps official financial statements. This process focuses solely on the integrity of financial controls most important to these financial statements. The CMC SOA for ICOFR relies on testing of specific internal control test scripts throughout the Marine Corps.

a. Annually, all organizations within MARFORRES will provide all requested internal control documentation to support completion of test scripts as directed by CMC. These test scripts support the CMC SOA for ICOFR that is submitted to the Secretary of the Navy. Specific requirements for documentation will be identified and requested from respective activities.

b. MARFORRES Comptroller coordinates the distribution, completion, collection, and submission to CMC (RFA) for all test scripts involving MARFORRES activities.

Sample Appointment Letter (DD Form 577)

| APPOINTMENT/TERMINATION RECORD - AUTHORIZED SIGNATURE (Read Privacy Act Statement and Instructions before completing form.) | | |
|---|--------------------------------|--|
| PRIVACY ACT STATEMENT AUTHORITY: E.O. 9397, 51 U.S.C. Sections 3325, 3526, and DoDFMR 7000.14-R, Vol. 5. PRINCIPAL PURPOSE(S): To maintain a record of certifying and accountable officers' appointments, and termination of those appointments. The information will also be used for identification purposes associated with certification of documents and/or liability of public records and funds. ROUTINE USE(S): The information on this form may be disclosed as generally permitted under 5 U.S.C. Section 552a(b) of the Privacy Act of 1974, as amended. It may also be disclosed outside of the Department of Defense (DoD) to the Federal Reserve banks to verify authority of the accountable individual to issue Treasury checks. In addition, other Federal, State and local government agencies, which have identified a need to know, may obtain this information for the purpose(s) identified in the DoD Blanket Routine Uses published in the Federal Register. DISCLOSURE: Voluntary; however, failure to provide the requested information may preclude appointment. | | |
| SECTION I - FROM: APPOINTING AUTHORITY | | |
| 1. NAME (First, Middle Initial, Last) XXXXXX XXXXXX | 2. TITLE COMMANDING OFFICER | 3. DOD COMPONENT/ORGANIZATION HQBN 4TH MARDIV |
| 4. DATE (YYYYMMDD) 20110202 | 5. SIGNATURE | |
| SECTION II - TO: APPOINTEE | | |
| 6. NAME (First, Middle Initial, Last) INTERNAL A. CONTROL, MAJOR | 7. SSN 123456789 | 8. TITLE ADMIN OFFICER |
| 9. DOD COMPONENT/ORGANIZATION HQBN 4TH MARDIV | | 10. ADDRESS (include ZIP Code) MARINE FORCES RESERVE |
| 11. TELEPHONE NUMBER (include Area Code) 123-456-7890 | | 12. EFFECTIVE DATE OF APPOINTMENT (YYYYMMDD) 20110202 |
| 13. POSITION TO WHICH APPOINTED (X as applicable) <input type="checkbox"/> DEPUTY DISBURSING OFFICER <input type="checkbox"/> DISBURSING AGENT <input type="checkbox"/> PAYING AGENT <input type="checkbox"/> CASHIER <input type="checkbox"/> CHANGE FUND CUSTODIAN <input type="checkbox"/> COLLECTION AGENT <input type="checkbox"/> CERTIFYING OFFICER <input type="checkbox"/> DEPARTMENTAL ACCOUNTABLE OFFICIAL <input type="checkbox"/> REVIEWING OFFICIAL <input checked="" type="checkbox"/> OTHER (Specify) <u>MANAGER'S INTERNAL CONTROL PROGRAM COORDINATOR</u> | | |
| 14. YOU ARE HEREBY APPOINTED TO SERVE IN THE CAPACITY IDENTIFIED IN ITEM 13. YOUR RESPONSIBILITIES INCLUDE: The Manager's Internal Control Coordinator is responsible for a working knowledge and clear understanding of the below areas: a. Information should be recorded and communicated to others within the organization who need it and in a form and within the time frame that enables them to carry out their internal control and other responsibilities. b. For an organization to run and control its operations it must have relevant, reliable, and timely communication relating to internal as well as external events. Accurate information is needed throughout the command to achieve all of its objectives. c. Internal control activities help ensure that management's directives are carried out. The control activity should be effective and efficient in accomplishing the commands control objectives. d. Control environment. Management and employees shall establish and maintain an environment throughout the organization that sets a positive and supportive attitude toward internal control and conscientious management. | | |
| 15. YOU ARE ADVISED TO REVIEW AND ADHERE TO THE FOLLOWING REGULATION(S) NEEDED TO ADEQUATELY PERFORM THE DUTIES TO WHICH YOU HAVE BEEN ASSIGNED: a. "Management's Responsibility for Internal Control" Dec 21, 2004 b. DoDI 5010.40 as of Jul 29, 2010 c. GAO "Standards for Internal Control in the Federal Government" November 1999 d. SECNAVINST 5200.35E e. SECNAV M-5210.1 f. MCO 5200.24D g. MCO 7300.21A h. DoD 7000.14-R and DON MIC Online Training i. MIC Manual, SECNAV M-5200.35 | | |
| SECTION III - ACKNOWLEDGEMENT OF APPOINTMENT | | |
| I acknowledge and accept the position and responsibilities defined above. I understand that I am strictly liable to the United States for all public funds under my control. I have been counseled on my pecuniary liability and have been given written operating instructions. I certify that my official signature is shown in block 17 below. | | |
| 16. PRINTED NAME (First, Middle Initial, Last) INTERNAL A. CONTROL, MAJOR | 17. SIGNATURE | |
| SECTION IV - TERMINATION OF APPOINTMENT | | |
| The appointment of the individual named above is hereby revoked. | | 18. DATE (YYYYMMDD) |
| 20. NAME OF APPOINTING AUTHORITY | | 21. TITLE |
| 22. SIGNATURE | | 19. APPOINTEE INITIALS |

DD FORM 577, JUL 2010

PREVIOUS EDITION IS OBSOLETE.

Reset

Adobe Professional 6.0

Guide for Activity Marine Corps Managers' Internal Control (MCMIC) Coordinator

1. Each activity head/division director shall designate in writing a primary and an alternate Internal Control Coordinator to coordinate the Managers' Internal Control (MIC) Program for their activity. It is suggested that the Activity Internal Control Coordinator be the equivalent of the Executive Officer, or Senior Staff Non-Commissioned Officer.
2. In order to have an understanding of the MIC Program, upon assignment as an AICC (primary or alternate), available MIC Program training can be obtained through the Navy e-Learning Knowledge On-Line. Also, training and coordination may be requested from the Command MIC Program Coordinator.
3. The following guide/checklist is a description of typical AICC responsibilities (within a respective activity):
 - a. Serve as the point-of-contact for the MIC Program.
 - b. Oversee the implementation of the MIC Program.
 - c. Staff the MIC Program annual task letter or other Command task letters for the MIC Program, out to the appropriate Assessable Unit Managers (AUMs). Provide AUMs guidance on the date that a response is required in order to consolidate your activity's response.
 - d. Assist AUMs with questions regarding the MIC Program and, if necessary, act as the liaison between your activity and the Command's MIC Program Coordinator to resolve any issues that evolve.
 - e. Review all AUM's responses and MIC Program documentation for completeness and appropriate signatures prior to forwarding your activity's response to the Command.
 - f. Prepare annual Statement of Assurance letter for signature by your activity's highest level of management. (Note: Allow adequate time to coordinate all of your AUM's responses, prepare transmittal letter, get signature, and submit to the Command MIC Program Coordinator by the assigned due date).
 - g. Maintain all documentation to support MIC Program reporting requirements.
 - h. Establish a process that identifies, reports, tracks, and corrects internal control material weaknesses and reportable conditions.
 - i. Establish procedures to increase and emphasize awareness of internal controls and the MIC Program.
 - j. Serve as the liaison for any command reviews or external audits of MIC Program records.
 - k. Provide AUMs information on MIC Program training opportunities.

Managers' Internal Control (MIC) Evaluation Checklist

Completion of this checklist is not a substitute for conducting and implementing a MIC Program. However, it may reduce the amount of time required to set up and conduct the assessment of the unit's MIC Program.

1. Applicable Guidance:

a. Is applicable guidance (SECNAV M-5200.35 SECNAVINST 5200.35E MCO 5200.24D ForO 52001.C) available to personnel responsible for Internal Management Controls?

(1) Yes _____ (2) No _____

2. Responsibilities for the Command:

a. Has the Commander/CO (Senior Official) appointed a Marine Corps MIC (MCMIC) Coordinator in writing?

(1) Yes _____ (2) No _____

b. Has the MCMIC Coordinator appointed all Assessable Unit (AU) Managers in writing? (If applicable)

(1) Yes _____ (2) No _____

c. Has the MCMIC and the Assessable Unit Managers completed the (MIC) Navy online initial training and/or refresher after three years? (Required training can be found on the NKO - Navy Knowledge Online: (<https://www.nko.navy.mil/portal/home/>))

(1) Yes _____ (2) No _____

3. Responsibilities for the MIC Coordinator:

a. Does the MIC Coordinator have a unit specific MIC plan with the minimum requirements, which include?

(1) The organization's senior official overseeing the MIC Program, the MIC coordinator and the alternate MIC coordinator.

(2) An overview of the MIC Program as related to the GAO standards for internal control.

(3) A description of risk assessment methodology.

(4) A description of monitoring/internal control assessment methodology.

(5) A description of how to develop and track corrective action plans.

(6) MIC training efforts.

(7) The date the plan was updated.

(1) Yes _____ (2) No _____

b. Has the Commander/CO and MIC Coordinator established a MIC environment (set the tone), taking appropriate action to implement internal management

controls and disseminate guidance at all levels throughout their command?
(Including disseminating the MIC plan)

(1) Yes _____ (2) No _____

c. Has an inventory of assessable units been developed at all levels throughout the command?

(1) Yes _____ (2) No _____

4. Responsibilities for the Assessable Unit:

a. Have risk assessments been completed for each assessable unit on the inventory (rated "high" or "medium")?

(1) Yes _____ (2) No _____

b. Have control assessments been completed for each assessable unit on the inventory? (Process that identifies, reports, and corrects material weaknesses)

(1) Yes _____ (2) No _____

c. Has action been taken to implement the controls that will correct deficiencies identified? (Corrective action plans)

(1) Yes _____ (2) No _____

5. Reporting Requirements:

a. Has the annual report on the results of internal control evaluations (Certification Statement) been completed and signed by the Commander within the reporting period?

(1) Yes _____ (2) No _____

6. Documentation and Record-keeping:

a. Is required documentation maintained to support all internal reviews completed i.e. training roster, PowerPoint, etc...?

(1) Yes _____ (2) No _____

SAMPLE MANAGERS' INTERNAL CONTROL (MIC) PLAN

(Organization Name)

Managers' Internal Control (MIC) Plan

This plan is updated (indicate frequency, i.e., annually, quarterly, etc.)

Last Update : (Enter actual date of last update)

MIC Senior Official: (This person will sign the organization's certification statement)

- Identify the MIC senior official by name, title and position within the organization.
- Identify to whom the position reports.
- Indicate how the responsibility is assigned and how often the position changes staffing.

MIC Coordinator:

- Identify the MIC coordinator by name, title and position within the organization. Identify to whom the position reports.
- Indicate how the responsibility is assigned and how often the position changes staffing.
- Indicate if this is a full-time or part-time function.

Alternate MIC Coordinator:

- Identify the alternate MIC coordinator by name, title and position within the organization.
- Identify how the position reports to the Coordinator.
- Indicate how the responsibility is assigned and how often the position changes staffing.
- Indicate if this is a full-time or part-time function.

Overview of the MIC Program within the Organization: Address all five elements of the GAO standards: Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring, and how they are being addressed within your organization.) For each discussion area, if published information already exists, it is unnecessary to repeat it within the document. Instead, attach or reference the location and source of the relevant information, so it can be easily obtained.

Control Environment

Mission

- Identify your organization's mission - what your organization is working to accomplish. *Attach/Reference: location and/or copy of published mission statement*

Strategic Plan

- Identify your organization's strategic plan.

Attach/Reference: location and/or copy of the Strategic Plan

Organization Structure

- Describe at a high level how your organization is structured--the hierarchy, functional divisions, programs, staffing, etc.
- Discuss how key areas of authority and responsibility are defined. Identify how lines of reporting are established.

☐ Identify the IC reporting chain of command within your organization

☐ Identify the funding flow within your organization

Attach/Reference: organization chart, DON organizational manual, chapters, pages, etc. Indicate the date of the chart and frequency of update.

Risk Assessment

- Describe how your organization assesses the risks associated with accomplishing its mission. Is your organization performing risk assessments on operations, programs and administrative functions? (This section is simply a narrative overview of your risk assessment. The results of your risk assessment shall be included in the risk assessment documentation requirement.)

Control Activities

- Describe the methodology of how control activities are identified and developed, the types of policies and documented procedures that are in place to explain and outline how to ensure the effectiveness of the controls.

Information and Communication

- Describe how your organization communicates information up and down the chain of command. Include information on the significant channels of communication, such as type of channel: email, website, monthly reports, etc.; the typical subject matter; the target audience; and the frequency of the communication.

Monitoring

Control Activities

- Describe the major types and methods of monitoring activities/internal control assessment being performed by both internal and external entities. Include self-assessments, evaluations and risk assessments reference by assessable units, if different or applicable.
- List the total number of scheduled internal control assessments for upcoming MIC year. (This information is needed for the annual MIC certification statement).
- List the total number of completed internal control assessments for the previous MIC year. (This information is needed for the annual MIC certification statement).

Accomplishments

- Describe how management tracks the organization's accomplishments. Include a discussion on the types of performance measures and indicators (i.e., specific

metrics) your organization has established to measure progress in accomplishing its objectives and goals.

Corrective Action Plans

- Include a brief description of your internal organization process (either manual or automated) for tracking progress against control deficiencies. This may currently be one of the functions of your internal Inspector General.

MIC Training

- Provide a high level overview of the training opportunities available within your organization.
- Indicate the minimum annual training requirements and how they are monitored. Reference databases, sources, etc.

Reporting Requirements:

- Indicate the schedule for internal reporting and review times within your organization necessary to meet the DON SOA requirement

Sample Control and Risk Assessment Format**Control Assessment**Command: MARFORRES G-2

Functional Category: Communications and/or Intelligence

Assessable Unit: Special Security
Programs

| Control Assessment | |
|--|--|
| Risk: Inherent risks associated with controlling SCI materials and equipment are mitigated. | |
| Control in Place: All control activities are set forth in SECNAVINST 510.21-M-1. | |
| Description of Design Test: The SSO conducted random SCIF entry/exit inspections. | Description of Operational Test: The inspection identifies prohibited items. |
| | |
| | |
| Was Control Effective? -----> Yes <----- No | Was Control Effective? -----> Yes <----- No |
| New Risk Level: | |
| Low | |
| ----->Med<----- | |
| High | |

Risk AssessmentCommand: MARFORRES

Functional Category: Communications and/or Intelligence

Assessable Unit: Special Security Programs

| | Control Risk | | Inherent Risk | |
|--|--------------|-------|----------------------------------|-------|
| | Choice | Value | Choice | Value |
| 1. EMPHASIS ON INTERNAL CONTROLS: | | Value | 1. SCOPE OF WRITTEN AUTHORITY | Value |
| High | x | 1 | Precise | x 1 |
| Moderate | | 2 | Clarification required | 2 |
| Low | | 3 | No written authority | 3 |
| 2. WRITTEN PROCEDURES | | | 2. AGE/STATUS OF PROGRAM | |
| Specific guidance/ little discretion | x | 1 | Stable | 1 |
| Flexible guidance | | 2 | Changing | x 2 |
| No written procedures | | 3 | New or expiring within 2 years | 3 |
| 3. SPECIFYING GOALS AND MEASURING ACCOMPLISHMENTS | | | 3. EXTERNAL IMPACT/SENSITIVITY | |
| Not applicable | | 0 | Not applicable | 0 |
| Goals formally established and monitored | x | 1 | Low | 1 |
| Goals used informally with little follow up | | 2 | Moderate | x 2 |
| Goals needed but not established | | 3 | High | 3 |
| 4. ADEQUACY OF CHECKS AND BALANCES: | | | 4. TIME SINCE LAST EVALUATION | |
| Not applicable | | 0 | Within 9 months | 1 |
| Adequate | x | 1 | Between 9 and 24 months | x 2 |
| Needs improvement | | 2 | More than two years | 3 |
| Required but lacking | | 3 | 5. RECENT IRREGULARITIES | |
| 5. PERSONNEL RESOURCES: | | | None in last year | x 1 |
| Adequate number of qualified personnel | | 1 | Known errors fully corrected | 2 |
| Adequate number of personnel, but training is required | x | 2 | Most know errors fully corrected | 3 |
| Insufficient number of personnel and significant need for training | | 3 | | _____ |
| Total | 6 | _____ | Total | 8 |

Overall Risk Assessment

Low = Combined score of 12 or less
 Moderate = Combined score of 13-20
 High = Combined score of 21 or greater

Score 14

Prepared by:

Maj Internal A. Control

Approved by:

Date
9-
Apr-
12

Date

Sample Managers' Internal Control Certification Statement
Letter Format

From: **[Head of Command/Organization]**
To: **[Distribution of Command/Organization]**

Subj: **MANAGER'S INTERNAL CONTROL CERTIFICATION STATEMENT**

Ref: (a) SECNAVINST 5200.35E

Encl: (1) Internal Control Accomplishments
(2) Corrective Action Plans
(3) Assessable Unit Listing

1. As the **[Position of Senior Official or Activity/Sub Activity Head]**, I recognize that Marine Corps leadership is responsible for establishing and maintaining effective internal controls to meet the objectives of the Federal Managers' Financial Integrity Act (FMFIA). Accordingly, the system of internal controls for **[command or activity]** was evaluated for the 12 month period ending 30 June 2014.

2. As of the date of this memorandum, I am able to provide **[a/an Unqualified/Qualified/No statement of reasonable assurance]** that **[Your Command/Activity/Sub Activity]'s** system of internal controls meet the objectives of the FMFIA program's administrative and operational activities.

3. **[Describe how you determined that internal controls are working properly]** Information to support this certification statement was derived from management reviews, audits, inspections, lower level subordinate command certification statements, and knowledge gained from daily operations of programs and functions.

4. Internal control related accomplishments are provided in enclosure (1). A listing and narrative for the uncorrected material weaknesses, reportable conditions, and items to be revisited are provided in enclosure (2). An assessable unit listing is provided in enclosure (3).

3. For questions regarding this certification statement, please contact **[(name) at (phone), (email)]**.

(NAME-Signed by Head/Deputy Only/CO/I&I)
(TITLE)

Enclosure (1) should include the command/activity/sub activities internal control accomplishments.

An accomplishment must be internal control related and tied to an assessable unit. The write up should explain the "before" and "after" story of how internal controls were strengthened or implemented to create an accomplishment. Accomplishments should be associated with an organizations goals and objectives.

Questions that can help identify good accomplishments include:

What was the impact at your organization?

Were there problem areas that required corrective action plans that produced positive results for your activity?

Does the accomplishment provide an internal control best practice that should be adopted by the command or Marine Corps wide?

Did your actions provide more effective and efficient operations to the Marine Corps?

Was there a measureable outcome produced as a result of strengthening or implementing an internal control?

Accomplishment Example Format/Template

Organization Name: | **Restricted Access Area** |

Accomplishment (1 of 1)

| | | | |
|---|--|--|--|
| Title of Accomplishment (Limit to 100 characters) | | | |
| 1 Installation of Passive Radio Frequency Identification (PRFID) Application to account for assets. | | | |
| Description of Accomplishment (Limit to 5,000 characters) | | | |
| 1 The accounting for assets was solely based on manual inventories which resulted in employing additional labor resources. No internal management control risks have been identified as a result of the increased resources utilized in the manual inventory process. The cost associated with the manual process is as follows: <ul style="list-style-type: none"> •Research = 144 man-hours or \$5,381 annual savings •Manual inventory = 72 man-hours or \$2,690 annual savings •Total = \$80,719 over a 10 year period We found that the existing controls, as placed into operation, could be enhanced with automation by implementing PRFID. The cost to automate the controls is as follows: <ul style="list-style-type: none"> •Passive tags cost \$.50 each x 500 = \$250 •Two portals with a life span of 10+ years, cost \$6,000 each for a total of \$12,000 •One Laptop to capture the data, with a life span of 5+ years, costs \$2,500 •Total Project cost: \$17,250 over 10 years The PRFID implementation provided adequate controls and savings to the government of \$63,469 over 10 years. All assets tagged with a PRFID are linked with asset data. The data is loaded in the database with the tag information and the system interacts with the portal that is stationed at exit doors. All assets are tagged and trigger an alarm if assets pass through the portal unauthorized. These tags minimize the risks of unauthorized asset movement outside RAA as well as track authorized arrival and departure of each asset. The asset data and location is associated with the tag in the database as well as with personnel to whom it is assigned. This application of automated technology helps to sustain current accurate inventory and every transaction associated with the movement and service of the asset with limited support personnel. Visual inventory and inspection methods are incorporated with this process. This technology application provided documented, quantitative and qualitative improvement measures and is part of a larger phased program for PRFID implementation. | | | |
| Functional Category (Mark "X" in applicable functional category) | | | |
| a. Communications | | b. Intelligence | |
| c. Security | | d. Comptroller and Resource Management | |
| e. Contract Administration | | f. Force Readiness | |

| | | | |
|--|---|--|--|
| g. Information Technology | X | h. Acquisition | |
| i. Manufacturing, Maintenance, and Repair | | j. Other | |
| k. Personnel and Organizational Management | | l. Procurement | |
| m. Property Management | | n. Research, Development, Test, and Evaluation | |
| o. Security Assistance | | p. Supply Operations | |
| q. Support Services | | | |
| Notes (if applicable) | | | |
| Point of Contact (Insert "Full Name, Title, email, and Phone Number") | | | |
| Provide point of contact information | | | |
| Approver (Insert "Full Name, Title, email, and Phone Number") | | | |
| Provide point of contact information for supervisor approving accomplishment. | | | |

Enclosure (2) CORRECTIVE ACTION PLANS

If internal control deficiencies are identified, you must provide corrective action plans to detail efforts to fix the internal control deficiency. A summary of internal control deficiencies should be provided.

Example summary is provided below:

Summary of Material Weaknesses, Reportable Conditions, and Items to be Revisited

Deficiencies Template/Format: Corrective Action Plan (CAP) Must use when submitting statement

Uncorrected Deficiencies Identified During Prior Periods

| | | | |
|---|--|--|--|
| Title of Deficiency (Limit to 100 characters) | | | |
| Segregation of Serialized Small Arms | | | |
| Description of Deficiency (Limit to 5,000 characters) | | | |
| Separating small arms weapons between operational commands. Segregation is critical to accountability and maintenance programs. The command has made several attempts to get the funding to build a separate cage for the storage of weapons that belong to Marine Air Control Squadron 24 (MACS 24), which became an issue due to a lack of space aboard Naval Air Station/Joint Reserve Base (NAS/JRB) Fort Worth. In order to properly support the Marines operationally assigned to this base the tenant commands had to combine the armory, which currently accommodates three using units. All three units have their own Mechanized Accounting List (MAL). According to MCO 5530.14A (Marine Corps Physical Security Program Manual), weapons that are not located on the same property records or MAL should not be stored in the same location. If they are to share an armory, they must have a cage that is protected under its own Intrusion Detection System (IDS) dedicated to each unit. The armory as it is now can be deemed as a breach in physical security. | | | |
| Functional Category (Mark "X" in applicable functional category) | | | |
| a. Communications | | b. Intelligence | |
| c. Security | | d. Comptroller and Resource Management | |
| e. Contract Administration | | f. Force Readiness | |
| g. Information Technology | | h. Acquisition | |
| i. Manufacturing, Maintenance, and Repair | | j. Other | |

| | | | |
|--|---|--|--------------------------|
| k. Personnel and Organizational Management | <input checked="" type="checkbox"/> | l. Procurement | <input type="checkbox"/> |
| m. Property Management | <input type="checkbox"/> | n. Research, Development, Test, and Evaluation | <input type="checkbox"/> |
| o. Security Assistance | <input type="checkbox"/> | p. Supply Operations | <input type="checkbox"/> |
| q. Support Services | <input type="checkbox"/> | | |
| Notes (if applicable) | | | |
| Deficiency Type (Mark "X" in applicable deficiency type) | | | |
| a. Material Weakness (MW) | <input checked="" type="checkbox"/> | b. Reportable Condition (RC) | <input type="checkbox"/> |
| Justification (Mark "X" in applicable justification(s)) | | | |
| a. Threat to Image | <input type="checkbox"/> | b. Threat to Mission | <input type="checkbox"/> |
| c. Threat to Resources | <input checked="" type="checkbox"/> | | |
| Notes (if applicable) | | | |
| Organization (Insert "Organization Name") | | | |
| MAG 41 | | | |
| Senior Accountability Official (Insert "Full Name, Title, email, and Phone Number") | | | |
| Major Decision Withstand, MAG 41 S-4, xxxxx.xxxxx @usmc.mil, XXX-XXX-XXXX | | | |
| Year Identified (Insert "Fiscal Year") | | | |
| 2014 | | | |
| Original Targeted Correction Date (Insert "Quarter, Fiscal Year") | | | |
| 2016 | | | |
| Targeted Correction Date in Last Year's Report (Insert "Quarter, Fiscal Year") | | | |
| 2016 | | | |
| Current Target Date (Insert "Quarter, Fiscal Year") | | | |
| 4thQtr, 2016 | | | |
| Reason for Change in Dates (Limit to 5,000 characters) | | | |
| N/A | | | |
| Validation Process (Limit to 5,000 characters) | | | |
| Contract letting and work completion on separate spaces. Results pending. | | | |
| Results Indicator (Limit to 5,000 characters) | | | |
| Results will be evaluated from internal review and CGIP. Contract letting and work completion on separate spaces. Results pending. | | | |
| Source(s) Identifying Deficiency (Limit to 5,000 characters) | | | |
| Internal Review | | | |
| Milestones | | | |
| Milestone (1) | | | |
| a. Title | TBD Based on Results of pending Contracts | | |
| b. Date (Quarter, Fiscal Year) | | | |

| | | |
|---|--|--|
| c. Status (Completed, In Progress, or Planned) | | |
| d. Completion Percentage | | |
| e. Detailed Comments | | |
| Milestone (2) | | |
| a. Title | | |
| b. Date (Quarter, Fiscal Year) | | |
| c. Status (Completed, In Progress, or Planned) | | |
| d. Completion Percentage | | |
| e. Detailed Comments | | |
| Milestone (3) | | |
| a. Title | | |
| b. Date (Quarter, Fiscal Year) | | |
| c. Status (Completed, In Progress, or Planned) | | |
| d. Completion Percentage | | |
| e. Detailed Comments | | |
| Point of Contact (Insert "Full Name, Title, email, and Phone Number") | | |
| Major Decision Withstand, MAG 41 S-4, xxxxx.xxxxx @usmc.mil, XXX-XXX-XXXX | | |

Corrected Deficiencies Identified During Prior Periods

| | | | | | |
|--|--|--|--|--|--|
| Title of Deficiency (Limit to 100 characters) | | | | | |
| No deficiencies corrected during the current period. | | | | | |
| Description of Deficiency (Limit to 5,000 characters) | | | | | |
| | | | | | |
| Functional Category (Mark "X" in applicable functional category) | | | | | |
| a. Communications | | | b. Intelligence | | |
| c. Security | | | d. Comptroller and Resource Management | | |
| e. Contract Administration | | | f. Force Readiness | | |
| g. Information Technology | | | h. Acquisition | | |
| i. Manufacturing, Maintenance, and Repair | | | j. Other | | |
| k. Personnel and Organizational Management | | | l. Procurement | | |
| m. Property Management | | | n. Research, Development, Test, and Evaluation | | |
| o. Security Assistance | | | p. Supply Operations | | |
| q. Support Services | | | | | |
| Notes (if applicable) | | | | | |
| Deficiency Type (Mark "X" in applicable deficiency type) | | | | | |
| a. Material Weakness (MW) | | | b. Reportable Condition (RC) | | |

| | | | |
|---|--|--|----------------------|
| Justification (Mark "X" in applicable justification(s)) | | | |
| a. Threat to Image | | | b. Threat to Mission |
| c. Threat to Resources | | | |
| Notes (if applicable) | | | |
| Organization (Insert "Organization Name") | | | |
| Senior Accountability Official (Insert "Full Name, Title, email, and Phone Number") | | | |
| Year Identified (Insert "Fiscal Year") | | | |
| Original Targeted Correction Date (Insert "Quarter, Fiscal Year") | | | |
| Targeted Correction Date in Last Year's Report (Insert "Quarter, Fiscal Year") | | | |
| Current Target Date (Insert "Quarter, Fiscal Year") | | | |
| Reason for Change in Dates (Limit to 5,000 characters) | | | |
| | | | |
| Validation Process (Limit to 5,000 characters) | | | |
| | | | |
| Results Indicator (Limit to 5,000 characters) | | | |
| | | | |
| Source(s) Identifying Deficiency (Limit to 5,000 characters) | | | |
| | | | |
| Milestones | | | |
| Milestone (1) | | | |
| a. Title | | | |
| b. Date (Quarter, Fiscal Year) | | | |
| c. Status (Completed, In Progress, or Planned) | | | |
| d. Completion Percentage | | | |
| e. Detailed Comments | | | |
| Milestone (2) | | | |
| a. Title | | | |
| b. Date (Quarter, Fiscal Year) | | | |
| c. Status (Completed, | | | |

| | |
|---|--|
| In Progress, or Planned) | |
| d. Completion Percentage | |
| e. Detailed Comments | |
| Milestone (3) | |
| a. Title | |
| b. Date (Quarter, Fiscal Year) | |
| c. Status (Completed, In Progress, or Planned) | |
| d. Completion Percentage | |
| e. Detailed Comments | |
| Point of Contact (Insert "Full Name, Title, email, and Phone Number") | |
| | |

***Types of Deficiencies**

MW = Material Weakness: a reportable condition or combination of reportable conditions, determined by leadership to be significant enough to report up the chain of command.

RC = Reportable Condition: an internal control deficiency or combination of deficiencies that adversely affects the ability to meet mission objectives, but not deemed serious enough to categorize as a material weakness.

IR = Item to be revisited: an internal control deficiency brought to leadership attention with insufficient information to determine the severity of the deficiency.

Each Deficiency listed on the above summary chart should have a detailed corrective action plan. The Corrective Action Plans should follow the format provided below.

Title and Description of Deficiency: Provide a description of the deficiency and the impact to the organization.

Deficiency Type: State the type of internal control deficiency (material weakness, reportable condition, or item to be revisited)

Assessable Unit: Identify the assessable unit that is affiliated with the internal control deficiency.

Senior Official in Charge: Identify the name and title of the senior official responsible to fix the deficiency. A senior official is the highest level of leadership that is accountable for resolution of the control deficiency.

Original Target Correction Date: (if identified previously) Provide Quarter and Fiscal Year of the targeted correction date first reported.

Target Correction Date in Last Year's Report: (if identified previously) Provide quarter and fiscal year of the targeted correction date in last year's certification statement.

Current Target Correction Date: Quarter and Fiscal Year of target correction date for this year's certification statement.

Reason for Change in completion date: If the completion date has changed, explain the circumstances of the delay and what is being done to ensure that the date does not slip further.

Validation Method and Result: Briefly indicate the methodology that the Command will use to certify the effectiveness of the corrected actions. Explain the performance measurements that will determine that corrective action is now complete and meets the established performance measure.

Source Identifying Weakness: Identify how the deficiency was discovered. Some examples may include Command evaluation, Inspector General Assessment, Naval Audit Service, Government Accountability Office.

Detailed Corrective Action Plan Timeline: Use a milestone chart indicating actions taken and actions planned for the future. Separate milestones into two categories: completed milestones and planned milestones. List milestones (minimum one per quarter) in chronological order. The last milestone should indicate the validation procedure and measurement used to certify that the problem is corrected.

Timeline example is provided below:

| | |
|------------------|--|
| 4th Qtr, FY 2011 | Review policies to support standardizing data and processes established across the Command. |
| 1st Qtr, FY 2012 | Identify two programs for implementation of revised processes and begin tracking compliance and use. |
| 2nd Qtr, FY 2012 | Develop and deploy a formal training program. |
| 3rd Qtr, FY 2012 | Training curriculum developed and deployed. |
| 3rd Qtr, FY 2012 | Surveillance/oversight in place to support annual report of compliance to the expected standard. |
| 4th Qtr, FY 2012 | Implement recommended changes for centralization of the process ownership and consistent support for programs. |
| 4th Qtr, FY 2012 | Implement recommended changes for staffing levels and oversight of processes. |
| 4th Qtr, FY 2012 | Implement recommended changes to address shipbuilding program office capability and support. |
| 4th Qtr, FY 2013 | Policy compliance meets XYZ target level. |
| 4th Qtr, FY 2013 | Validate corrective action plan effectiveness. Explain how the validation will take place. |

Point of Contact: name, organization, email, phone

Enclosure (3) Assessable Unit Listing

List all assessable units and a point of contact for each unit.

Example of Assessable Unit Listing

| | |
|------------------------|------------------------------|
| Defense Travel System | Point of contact information |
| Government Travel Card | Point of contact information |

| | |
|---|------------------------------|
| Government Commercial Purchase Card | Point of contact information |
| Personally Identifiable Information | Point of contact information |
| Information Assurance Program | Point of contact information |
| Electronic Key Management Program | Point of contact information |
| Tuition Assistance | Point of contact information |
| Serialized Small Arms Control | Point of contact information |
| Hazardous Waste Management | Point of contact information |
| Garrison Mobile Equipment Program | Point of contact information |
| Personnel Administration | Point of contact information |
| Ground Equipment Maintenance Management | Point of contact information |
| Critical Infrastructure Program | Point of contact information |

An Assessable Unit is a process, function, or program that is significant to mission accomplishment.

Every Assessable Unit must have a responsible manager. The responsible manager must identify their measurable (something you can count) goals and objectives.

To assist in correctly identifying assessable units, managers should ask themselves the following questions:

What areas does leadership emphasize?

Is there an order or directive that requires you to manage this function?

Do you currently provide a report on this topic/function to higher headquarters?

What are the most important things discussed at weekly staff meetings?

Does the process consume a large amount of my time?